

Date: 23.11.2007

....Petitioner

Zonal Manager and others.

WRIT PETITION No.25236 of 1998

The Government of A.P. formulated several schemes for promotion of industries in the State. As a part of the same, it issued orders in the year 1963. The petitioner was initially allotted two industrial sheds (LUX-2 and B-42) and two goodowns (7 and 8). Subsequently, the Government issued G.O.Ms.470, Industries Department, dated 01.05.1969, providing for hire purchase of the industrial sheds by the entrepreneurs. The petitioner availed the benefit of the same and purchased the industrial sheds under hire purchase scheme.

Through letter, dated 22.04.1998, the Andhra Pradesh Industrial Development Corporation (for short 'the Corporation') informed the petitioner that the Corporation had decided to sell the goodowns owned by it, by way of auction, and required the petitioner to vacate goodown Nos.7 and 8, within the period mentioned therein. The petitioner felt aggrieved by the same and made several representations. Through a letter, dated 03.06.1998, the Corporation offered the petitioner to sell the goodowns at a tentative cost of Rs.2,82,310/- and required it to clear the arrears. The petitioner was not inclined to purchase the goodowns and wanted the tenancy rights to be continued, as provided for under the scheme formulated in G.O.Ms.No.470, dated 01.05.1969. This Writ Petition is filed with a prayer to restrain the Corporation from proceeding with the conversion of tenancy of goodowns into the one under outright sale scheme.

Heard the learned counsel for the petitioner and the learned Standing counsel for the respondents.

Over the past several decades, the industrial policy framed by the Government of A.P. has undergone several changes. Most of the activity of the Department of Industries was made over to the Corporation. The petitioner was initially inducted as a tenant into two industrial sheds and two goodowns. It exercised the option of becoming the owner of the industrial sheds and continuing as a tenant for the goodowns. When the Corporation required the petitioner to vacate the goodowns, with a view to sell them on outright basis, the petitioner objected to the same, and thereupon, an offer was made by the Corporation to the petitioner itself, for purchase of the goodowns. Even at that time, the petitioner expressed its inability and disinclination to purchase the goodowns.

This Court cannot interfere with the policy decisions, that are taken by the Government or its Agency i.e., the Corporation, from time to time. At the most, it can examine the validity of such policies on the touchstone of law. No serious defect is pointed out by the petitioner, as to the policy evolved by the Corporation, in the matter of selling the goodowns on outright basis. This much, however, can be said that in case, the policy of the Corporation to sell the goodowns is in force, the first option must be given to the petitioner, to purchase goodowns 7 and 8, since it is a tenant for the past several decades. On the other hand, if there is any change in the policy, the petitioner has to abide by the same or to work out its remedies, in accordance with law.

For the foregoing reasons, the writ petition is disposed of, directing that-

- a) If the policy evolved by the Corporation for transferring the goodowns on outright sale basis is in force, the petitioner shall be given the first option to purchase goodowns 7 and 8 in its possession; and
- b) In case, there is any change in the policy, the lease of the petitioner shall continue, until it is evicted, in accordance with law.

There shall be no order as to costs.

23.11.2007